

NAKAJIMA -- 09/630,557

Client/Matter: 007874-0271790

REMARKS

Claims 2, 11-13 and 53-85 are pending. By this Amendment, claims 1, 3, 4, 6-10 and 14-53 are canceled without prejudice or disclaimer; claims are 2 and 11-13 are amended; and claims 53-85 are added. Reconsideration in view of the above amendments and following remarks is respectfully requested.

Claims 1-4, 6-26, 44, 45 and 47-49 were rejected under 35 U.S.C. §112, second paragraph. The rejection is respectfully traversed.

Claims 1, 4, 6-26, 44, 45 and 47-49 have been canceled without prejudice or disclaimer, thus rendering moot their rejection. With respect to claims 2 and 11-13, and new claims 54-85, Applicants provide the following remarks in traversal of the rejection.

It is respectfully submitted that it is clear that the use of the root term "synchronize," and all other variations, as used in the pending claims means that the paying terminal and the billing terminal communicate with each other via the synchronizing server or the processing unit/module. As defined in the pending claims, the paying terminal and the billing terminal are connected with each other and one of the terminals controls, or instructs, the other terminal, respectively.

As also defined in the pending claims, the synchronization of the communication with the paying terminal and the billing terminal is on-to-one, meaning that the communication between the paying terminal and the billing terminal, although bi-directional, is one-to-one, meaning one terminal executes its own processes only after the other terminal finishes its processes.

Reconsideration and withdrawal of the rejection under 35 U.S.C. §112, second paragraph are respectfully requested.

Claims 1-4, 6-14, 20-22 and 44-49 were rejected under 35 U.S.C. §103(a) over Takayama (U.S. Patent 6,332,133) in view of Bernstein (U.S. Patent 5,591,949) and claims 15-19 and 23-26 were rejected under 35 U.S.C. § 103(a) over Takayama in view of Bernstein and further in view of Holloway (U.S. Patent 5,604,802). The rejections are respectfully traversed.

Claims 1, 3, 4, 6-26 and 44-49 have been canceled without prejudice or disclaimer, thus rendering moot their rejection. However, with respect to claims 2 and 11-13, and new claims 54-85, Applicants provide the following remarks.

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Prior to addressing the rejections over the applied prior art, the undersigned notes that the Examiner, for the third time, takes Official Notice with respect to claims 8-10, 14 and 19-22. The undersigned also respectfully notes that the Examiner's taking of Official Notice has twice been traversed (see, for example, page 21, lines 16-18, of the December 17, 2004 response), yet the Examiner has never responded to such traversals.

MPEP § 707.07(f) states: "Where the applicant traverses any rejection, the examiner should, if he or she repeats the rejection, take note of the applicant's argument and answer the substance of it."

The undersigned respectfully resubmits that the taking of Official Notice fails to present a *prima facie* case of obviousness in combination with the applied prior art as Applicants have not claimed, and are not now claiming, any of the features which the Examiner alleges to be old and well known. The undersigned also respectfully resubmits that none of the alleged facts of which the Examiner takes Official Notice are capable of instant and unquestionable demonstration as being well known.

In the event the Examiner repeats the rejection, or relies upon the taking of Official Notice in maintaining or advancing any grounds of rejection, the undersigned, in accordance with MPEP § 2144.03, again respectfully requests that the Examiner provide documentary evidence in the next Office Action.

The electronic settlement system of claim 54, the transaction apparatus of claim 71, the program of the recording medium of claim 84, include two authentication steps. The first step is the synchronization step. In the first step, the synchronizing server/processing unit/processing module identifies both the paying terminal and the billing terminal to be communicated with each other.

The second step is to authenticate the user of the paying terminal. The paying terminal, the billing terminal and the synchronizing server/processing unit/module process the authentication method in accordance with the authentication information stored in the paying terminal database to authenticate the user.

The paying terminal has an input unit, for example a speaker, a camera, a keyboard, a finger print recognition unit, and the authentication information for user, for example a password, the user's voice, the user's facial portrait, the user's finger print, is transmitted from the paying terminal to the synchronizing server/processing unit/module. Accordingly, it is not necessary to transmit information such as credit card or account numbers, or the

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password or PIN therefor, because the paying terminal is registered in advance for the transaction. The claimed invention thus settles transactions with high security.

The personal credit terminal 100 of Takayama does not correspond to the claimed paying terminal, the credit settlement device 101 for performing a credit transaction at a store does not correspond to the claimed billing terminal, and the settlement system 103 does not correspond to the claimed synchronizing server or processing unit/module.

As disclosed in column 47, lines 21-37, of Takayama, in order to perform the credit settlement processing, first, the operator uses the cash register 311 to calculate a total for the price of a product and the sales tax, and transmits the total to the user. Then, in accordance with the user's request to use credit for the payment, the operator depresses the credit transaction switch 312 of the cash register 311 and waits until the user has completed the payment operation using the personal credit terminal 100. When the user has executed the payment process, the payment price that the user entered is displayed on the LCD 302 along with the results of the credit reference check performed for the user. The operator confirms the display contents and depresses the execution switch 308. Through the execution of this process, the credit settlement device 101 exchanges transaction information with the personal credit terminal 100 and the service providing system 102, and performs the credit settlement processing. See also column 50, line 11 through column 52, line 14, and Figures 8 for Takayama's disclosure of the settlement processing.

Nowhere in the disclosure of the settlement processing does Takayama disclose or suggest authenticating the user of the personal credit terminal 100 in accordance with authentication information stored in the personal credit terminal 100. There is also no disclosure or suggestion by Takayama of setting an authentication method to be processed between the personal credit terminal 100 and the credit settlement device 101.

Bernstein fails to cure the deficiencies of Takayama. Bernstein discloses encryption/decryption of user account numbers, PIN, or a temporal indicia of a transaction.

Holloway also fails to cure the deficiencies of Bernstein. Holloway discloses that specific smart card data, such as smart card or user number, is received as part of a sealed message and is used by the verifier as an index to retrieve an enciphered signature 523 corresponding to the user from a storage 519. The ability to reproduce the signature in association with the transaction establishes that the user's authority was granted and that the genuine smart card was used to authorize the transaction. See column 8, lines 12-15 and column 8, line 65 through column 9, line 2. Holloway also discloses that user verification

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proceeds on the basis of a PIN entered by the user at the transaction terminal, or biometric or other method chosen and checked at the transaction terminal. See column 2, lines 37-40. Holloway clearly does not authenticate the user of a paying terminal in accordance with authentication information stored in the paying terminal database.

No combination of Takayama, Bernstein and/or Holloway discloses or suggests all the limitations of independent claims 54, 71 and 84. Accordingly, the references, alone and in combination, fail to establish a *prima facie* case of obviousness.

Claims 2, 11-13, 55-70, 72-83 and 85 recite additional features of the invention and are allowable for the same reasons discussed above with respect to claims 54, 71 and 84 and for the additional features recited therein.


Reconsideration and withdrawal of the rejections over Takayama and Bernstein and Holloway are respectfully requested.

In view of the above amendments and remarks, Applicant respectfully submits that all the claims are allowable and that the entire application is in condition for allowance.

Should the Examiner believe that anything further is desirable to place the application in better condition for allowance, the Examiner is invited to contact the undersigned at the telephone number listed below.

Respectfully submitted,

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